AGENDA

WATER POLICY TASK FORCE
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

December 9, 2004
10:00 a.m.
SCAG Offices: Riverside B Meeting Room

1.0 CALL TO ORDER **Page #**

2.0 PUBLIC COMMENT PERIOD

Members of the public desiring to speak on an agenda item or agenda items not on the agenda, but within the purview of this committee, must notify the Secretary and fill out a speaker's card prior to speaking. Comments will be limited to three minutes. The Chair may limit the total time for comments to twenty (20) minutes.

3.0 APPROVAL OF MINUTES

Approve the minutes of the September 9, 2004 meeting.

4.0 PRESENTATION ITEMS FOR THE TASK FORCE

4.1 Growth and Water Issues in the Antelope Valley **6**

The largest water supplier in the Antelope Valley has decided that future water supplies are so uncertain that new development must wait until new water resources management plans are established for this rapidly growing area, highlighting for the first time an important nexus between growth and water supplies in this key growth area in the SCAG region. This panel will address these unprecedented issues:

Don Wolfe, Acting Public Works Director, County of Los Angeles
Steve Maguin, Asst. General Manager, Los Angeles County Sanitation Districts
Laurie Lile, Planning Director, City of Palmdale
Randy Williams, Public Works Director, City of Lancaster
Russell Fuller, General Manager, Antelope Valley-East Kern Water District
Dennis LaMoreaux, General Manager, Palmdale Water District
Dave Meraz, General Manager, Quartz Hill Water District
Kathleen Burr, Executive Director, Los Angeles County Farm Bureau, and
Gretchen Gutierrez, Executive Director, Antelope Valley Chapter of the Southern California Building Industry Association (SCBIA), and Tim Piasky, Environmental Affairs Director of the SCBIA.

4.2 Measure "O" Passage and Next Steps for the City of Los Angeles **10**

On November 2 voters in the City of Los Angeles approved Measure "O", a general obligation bond proposal, by a vote of 76%. Measure "O" was titled the "Clean Water, Ocean, River, Beach, Bay Storm Water Cleanup Measure". Rita Robinson, General Manager of the City's Bureau of Sanitation will brief the Task Force on the Measure's provisions, on reasons for the Measure's success and on the City's next steps for implementing the Measure's provisions.

4.3 A Report on the Los Angeles County Watershed Infrastructure Funding Workgroup **12**

The Los Angeles Chapter of the American Society of Civil Engineers has convened a working group of local officials and infrastructure professionals who have been discussing the need for a countywide funding proposal for watershed management and pollution controls. Michael Drennan, P.E., a Brown and Caldwell Vice President and Signal Hill Councilmember Larry Forster (also a Task Force member) will brief the Task Force on this initiative.

5.0 CHAIR'S REPORT

6.0 STAFF REPORT

7.0 TASK FORCE INFORMATION SHARING

8.0 COMMENT PERIOD

10.0 ADJOURNMENT

MEMORANDUM TO THE WATER POLICY TASK FORCE

December 9, 2004

TO: ***Members of the Water Policy Task Force***

FROM: ***Daniel E. Griset, Sr. Regional Planner, X895, griset@scag.ca.gov***

SUBJECT: ***Growth and Water Issues in the Antelope Valley***

RECOMMENDATION:

Receive for future policy consideration, giving special attention to the need for regional cooperation in the development of water supply infrastructure and local water resource management policies.

BACKGROUND:

In recent months water issues have become extraordinarily important in Antelope Valley, a part of the SCAG region slated for significant future growth. This is the result of decisions by the Los Angeles County Water Works District No. 40 (WWD40) to withhold "will serve" letters from developers who are seeking land use approvals in the WWD40 service area in Palmdale, Lancaster and adjoining unincorporated areas. This action is required by new state law (SB 221 and SB 610 authored by Senators Costa and Keuhl was passed in 2001) requiring larger developments to obtain written certification that long-term water supplies are in place that will meet the expected water demand created by these new uses. Additionally, these long-term supply assessments by water supply agencies are required to consider the future water needs of current consumers, as well. Without this certification a land use agency cannot issue the approvals needed to clear the project for construction.

Typically, these certifications depend on water supply plans that each provider documents and updates every five years in its Urban Water Management Plan (UWMP). The Costa/Keuhl bills establish an essential role for UWMPs throughout California, especially in rapidly growing areas like Antelope Valley.

This standstill in new development in Antelope Valley is the first instance in the SCAG region where a water agency has withheld a "will serve" letter because of the Costa/Keuhl water supply certification requirements. This not only creates conflict between developers, local government and a water agency, it raises for further consideration SCAG's long-term forecast for significant growth in the Antelope Valley and of the water resources available to support this growth.

In addition to the "will serve" certification standstill there are a variety of factors that are contributing to conflict and uncertainty over water resources and new development in the Valley:

Water Rights: The great majority of the water used in the Valley is pumped from the Valley groundwater basin. Historically the costs for groundwater have been nominal. Without any management system for controlling

groundwater, Valley pumpers have only had the energy costs associated with pumping to pay for this essential resource. Given the absence of basin management and higher pumping rates, the water levels have fallen substantially in recent years. This change in the groundwater hydrology has not only eliminated the artesian wells that often brought water naturally to the surface, it has stranded many of the pumps whose piping systems are no longer deep enough to reach water. This unfavorable trend has precipitated litigation by Valley farming interests that seek to protect their historical water consumption patterns from new limitations, to be able to transfer or sell their rights and to share in any benefits produced by new basin storage programs. In turn, counter suits have been filed that seek to broaden the issues in dispute. These counter suits seem intended to bring a comprehensive array of Valley interests into a broad groundwater management agreement and to focus attention on the beneficial (i.e., appropriate) uses of the Valley's water.

Groundwater Issues: Between 1915 and 1995 hydrology studies estimate that the groundwater basin has produced more than 8 million acre feet (AF) of water, mainly for agricultural purposes. After World War II (WWII), pumping hit an annual high of 363,000 AF, a time when alfalfa growing consumed 93,000 acres and was in its prime. Annual groundwater pumping is now estimated at between 140,000 and 170,000 AF. WWD40, the largest water supplier in the Valley relies on groundwater for 40% of its deliveries; the balance is provided with imported water.

Groundwater pumping has two main cost elements: the cost of drilling a well and the energy costs to operate the well. In general, the direct cost of pumped water in the Valley is between $50 and $70 per AF, substantially lower than the cost of imported water. Against this pumping backdrop the annual replenishment of the basin is about 70,000 AF. This disparity between input and output underscores the need for a groundwater management program that makes the basin a sustainable asset, not a depleting one.

Water Importation: The Antelope Valley-East Kern Water District (AVEK) is a contractor with the State Water Project (SWP) and is the agency responsible for bringing imported water to the Valley. Under its agreement with the SWP AVEK is entitled to more than 140,000 acre feet (AF) annually for which it now pays $231/AF. (An AF is 326,000 gallons, enough water to support a family in the Valley for a year.) Because of various factors, however, the SWP does not deliver full entitlements to its contractors. AVEK, in a recent announcement by the Department of Water Resources, was informed that it is slated to receive 40% of its entitlement in 2005. (Nevertheless, it is obligated to pay for its full contracted entitlement amount.) Of note in these current circumstances, even if it could get its full entitlement, it would be unable to take full delivery, owing to its limited access to storage and the availability of water treatment facilities. Though AVEK has recently implemented a pilot groundwater recharge project, it has not been able to exploit the groundwater basin for the kind of large-scale storage that future growth in the Valley will require. The opportunities are noteworthy, however, based on estimates that the basin could hold as much as 13 million AF. As water storage and treatment projects take shape the rate payers in the Valley can expect to see rising costs for water and growing pressures to implement water wise conservation efforts.

Farming and Other Economic Activities: Various field crops have been a staple of the Valley's economy. Though crops like alfalfa, barley and wheat were popular farm products in the post-WW II years, current production favors crops like carrots. In 1953 there were 99,000 acres in production; by 1993 this agricultural acreage had declined to less than 13,000 acres. Nevertheless, there has been a resurgence of farming activity during the past 10 years. Since its earliest habitation the Valley has been home to salt, aggregate and borate mining. Though aerospace activities provide other jobs to area residents, most employment opportunities require commuting to southern Los Angeles County.

Water Reclamation and Reuse: Along with the Valley's growth in population wastewater discharges have increased, creating related infrastructure challenges. The Los Angeles County Sanitation Districts has developed two areas that serve the cities of Palmdale and Lancaster and surrounding areas. Over the years the Districts have been permitted to take substantial portions of their effluent (treated to secondary standards) and discharge it to surface spreading areas on federally owned land. As these discharge practices continued, this nitrate-laden effluent has formed a contaminated groundwater plume that now requires remediation, an effort geared to prevent further threats to groundwater pumping. Along with remediation efforts, the Districts are facing twin issues: implementing tertiary treatment systems and expanding their facility capacities. Implementing the higher level of treatment for Valley wastewater will not only stem the nitrate pollution problem, it will create with these more purified discharges a "new" supply of water for reuse in the Valley. Along with the costs of these new treatment systems the Districts have new capacity costs related to expanding facilities that are needed to accommodate the substantial growth anticipated in the Valley. As a result of these changes, the annual charge for wastewater treatment is expected to increase from $71 to $160.

Growth: Over the next 25 years SCAG anticipates a substantial growth in the Valley's population. Looking at the Antelope Valley-East Kern Water District service area, total population is expected to increase from some 200,000 (in Year 2000) to nearly 525,000 in 2030.

Urban Water Management Plans:

No document is more crucial to the connection between Valley growth and water supplies than the UWMP. This document is updated every five years by each water agency that has more than 3000 customers/connections. SB 221 and 610 give the UWMP a distinct role in supporting certifications that water supplies are sufficient to serve a new development, along with all the other demands from existing consumers. AVEK and WWD40 are jointly developing a UWMP in which future water needs and supply plans will be documented for use by land use entitlement agencies in the Valley. (A copy of WWD40's 2000 UWMP is attached to the agenda.) Historically AVEK, as a wholesale agency, has not prepared a UWMP, relying instead on the plans developed by the more than 70 retail water purveyors in the Valley.

The panel of speakers reflects a full mix of interests that are active in Antelope Valley. City and County land use planners are continuously augmenting their General Plans, seeking to balance housing, jobs, community amenities and environmental compatibilities. Water agencies are working to find an appropriate mix of local and imported water resources and management practices that will meet future water demands in their service areas and reduce uncertainty. Farming interests that depend on reliable water supplies for their livelihood are fighting to remove uncertainty by having the courts establish their water rights. Builders who see demand for new housing and commercial/industrial facilities are working with communities and agencies to set in place equitable infrastructure financing. Wastewater agencies are working to anticipate future treatment needs, both from service area growth and from the new water quality regulations that regulate treatment plan discharges.

This Antelope Valley situation gives the Task Force a rare opportunity to get more familiar with these cooperating and competing interests that determine the future of growth and social change. Once issues are resolved, investments will be made and new communities will be built. A continuous thread running through these issues is water. Its availability, its cost and the ways it is managed will greatly influence the future of the Valley within the SCAG region.

MEMORANDUM TO THE WATER POLICY TASK FORCE

December 9, 2004

TO: ***Members of the Water Policy Task Force***

FROM: ***Daniel E. Griset, Sr. Regional Planner, X895, griset@scag.ca.gov***

SUBJECT: ***Measure "O" Passage and Next Steps for the City of Los Angeles***

RECOMMENDATION:

Receive for future policy consideration of stormwater management funding initiatives.

BACKGROUND:

On November 2, 2004 voters in the City of Los Angeles approved Measure "O", a general obligation bond proposal, by a vote of 76%. Measure "O" was titled the "Clean Water, Ocean, River, Beach, Bay Storm Water Cleanup Measure".

Rita Robinson, General Manager of the City's Bureau of Sanitation will brief the Task Force on the key features of the Measure, reasons for the its ballot success and on the next steps for implementing the Measure's provisions.

Features of Measure "O": The bond proposal authorized the City to issue general obligation bonds to build improvements for addressing the regulatory requirements of the Federal Clean Water Act, improve water quality and protect public health and the environment. These improvements are expected to assist in the clean up polluted storm water and reduce dangerous bacteria in the City's rivers, lakes, beaches, bay and ocean. It also proposed to protect ground water quality, provide flood control, and increase water conservation, habitat protection and open space. The measure authorized the City to issue $500,000,000 in bonds to fund these efforts.

The TMDL context: A 1999 federal court consent decree required that pollution control plans (TMDLs) be developed to eliminate water impairments in the watersheds of the City. This meant that the City will have to comply with over 60 water quality measures that are to be adopted by the Los Angeles Regional Water Quality Control Board over the next decade. As a result, the initial compliance measures include the following:

- *The Removal of Trash from the Los Angeles River and Ballona Creek.* This would be done by using bond funds to pay for construction and installation of catch basin inserts/screens to capture and prevent trash from entering these waterways. The removal of trash from these waterways prevents trash from reaching urban lakes, beaches, bay and ultimately, the ocean.
- *The Reduction of Bacteria and Water Toxics in Santa Monica Bay, Marina Del Rey, Harbor and Cabri//o Beach.* Adopted and pending regulations will require the City to reduce bacteria and toxics from the Los Angeles

River, Ballona Creek and urban lakes. Measure "O" would assist in meeting these regulations by using bond funds to install storm water/runoff diversion structures that redirect urban runoff from the streets to the sewer system for cleansing and treatment based on available sewer capacity.

Stormwater Management: The City also expects to address harmful bacteria and water toxic regulations by the capture, clean up and beneficial re-use of storm water. These projects would include the following efforts:

- Construction and purchase of land for basins and structures throughout the City to capture, retain and treat storm water and to beneficially re-use the water for irrigation at open space and parks.
- Development of greenbelt areas to help treat and conserve storm water which, along with filtering elements would reduce water toxics that enter the groundwater, Los Angeles River, Ballona Creek and ocean.
- Development and purchase of land to create water-cleansing landscapes and parkways near the Los Angeles River and Ballona Creek to reduce storm water pollution and bacteria that wash into these waterways. In addition to water-cleansing these parkways would provide multiple benefits such as controlling storm water runoff and flooding through increasing percolation areas and by creating open space for habitat preservation and recreation.

Other Efforts: In addition, as funds are available, the City expects to identify and fund other projects that further the purposes and goals of Measure "O".

Bonding Oversight: The City will institute by ordinance a comprehensive set of management controls, including an Administrative Oversight Committee and a Citizens Oversight Advisory Committee. This oversight is intended to ensure that all appropriate projects are delivered on time and within budget.

Since estimates for the City's compliance with all TMDL requirements substantially exceed $500 million, Measure "O" funding will address only a limited number of the initial water quality regulations. As a result, the City's success with this initial funding will have a major bearing on public receptivity to additional funding for future compliance with the larger number of remaining water quality regulations for eliminating water quality impairments in local Los Angeles water bodies.

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December 9, 2004

TO: ***Members of the Water Policy Task Force***

FROM: ***Daniel E. Griset, Sr. Regional Planner, X895, griset@scag.ca.gov***

SUBJECT: ***A Report on the Los Angeles County Watershed Infrastructure Funding Workgroup***

RECOMMENDATION:

Receive for future policy actions on prospective regional watershed management initiatives that will be fully scoped for public comment, action, funding and participation.

BACKGROUND:

The Los Angeles Chapter of the American Society of Civil Engineers has convened a working group of local officials and infrastructure professionals who have been discussing the need for a Los Angeles County funding proposal for watershed management and pollution controls. Michael Drennan, P.E., with Brown and Caldwell and Signal Hill Councilmember Larry Forster (also a Task Force member) will brief the Task Force on this emerging initiative.

The workgroup is working with the following mission statement:

> *To work cooperatively to complete an integrated long-term regional watershed management plan for Los Angeles County by 2007 and a voter-approved funding mechanism by 2008 to implement the plan.*

The initial efforts has been segmented into three areas: an integrated water resources plan, funding and public education.

The *integrated water resources* work involves a number of actions:

- identifying specific structural and non-structural solutions to meet the needs of Southern California (e.g. conservation, recycling, groundwater recharge, reuse, desalination, environmental restoration and preservation, existing infrastructure refurbishment, and public education);
- estimating the implementation and capital costs of management solutions;
- estimating operation and maintenance costs, and;
- developing a timeline for implementation.

The *funding* work has proposed these kinds of actions:

- developing strategies to secure appropriations at the state and federal levels;
- identifying stable and long-term funding solutions to meet the watershed needs of Southern California;
- developing strategies to implement stable and long-term funding solutions;
- developing and maintaining a database on funding efforts by various jurisdictions;
- evaluating and tracking legislative efforts that support the effort.

The *public education* work is focused on developing a plan that will generate public support for a regional watershed management plan and funding strategies, including these steps:

- defining the key constituencies for the effort;
- assembling the information needed to communicate effectively with various publics.